

IMPROVING THE SERVICE QUALITY AS A SOCIALLY RESPONSIBLE ACTIVITY OF HOTEL COMPANIES

Ivana Blešić^{1*}, Slobodan Čerović² and Vanja Dragičević³

^{1/3)} *University of Novi Sad, Novi Sad, The Republic of Serbia*

²⁾ *University Singidunum, Belgrade, The Republic of Serbia*

Abstract

In this article, the results of the survey examining quality of service in spa hotels are interpreted. Research was conducted in five spas in West Morava region during August and September 2008. Service quality was measured with a model based on SERVQUAL model. Collected data were analyzed using statistical methods of descriptive statistical analysis and analysis of variables ANOVA, which were useful in defining whether there is statistically significant connection between dependant variables (questions on expectations and perception) and independent variables (structure of respondents regarding their occupation). The results indicate negative SERVQUAL gap in total (-0.21). The largest negative SERVQUAL gap was noted at the first determinant related to the tangible elements of service, which further points to conclusion that main problems in providing high-quality services in the spa hotels are inappropriate arrangement of facilities and equipment, time worn of facilities in general, lack of understanding of contemporary demand trends, unaccomplished process of hotel privatization, uniformity of tourism offer and lack of market research related to hotel services consumers. In the authors' opinion, the aforementioned problems could be overcome with creation and implementation of development strategies with short and long term development plans, as well as with investment incentives in spa tourism development. The organization with strategy based on the principles of social responsibility has the potential to build and sustain successful relationships with present and potential customers, as well as with all interested stakeholders.

Keywords: service quality, SERVQUAL, spa hotels, corporate social responsibility

JEL Classification: C10, L15, M14

Introduction

Corporate social responsibility (CSR) represents commitment of company to improve welfare of the local community through voluntary business practice and contributions on behalf of self-interests. In this way the company takes obligation to protect and improve own and social development, through diverse business and social actions (Sen and Bhattacharya, 2001), as well as to provide sustainable benefits for diverse stakeholders. The concept of corporate social responsibility represents one the most important ethical and moral problems in corporate decision making process (Branco and Rodrigues, 2006).

* Corresponding author, **Ivana Blešić** - ivana.blesic@gmail.com

Numerous studies show that business ethics and profitability are well connected subjects as companies with incorporated business ethics are better market positioned (Aleksić, 2007). The leading world organizations need to satisfy the needs of diverse stakeholders: customers, suppliers, shareholders, employees and wider community. The satisfaction of the aforementioned stakeholders comes from the results and fulfilled objectives of the organization as well as from the expectations of the stakeholders and its accomplishment.

There exist many definitions of corporate social responsibility. Therefore, it is difficult to create a common used definition for CSR but common characteristics for CSR have been defined. These are (The EFQM Framework for CSR, EFQM, Brussels, 2003, p. 7):

- Meeting the needs of current stakeholders without compromising the ability of future generations to meet their own needs.
- Adopting CSR voluntarily, rather than as a legal requirement, because it seems to be in the long-term interests of the organisation.
- Integrating social, environmental and economic policies in day-to-day business.
- Accepting CSR as a core activity that is embedded into an organisations' management strategy.

In the process of building the company's competitive advantage, the intangible resources, in particular company image, are of great importance. Improving the quality of products and services, as a result of corporate social responsibility, helps in building strong long term relationships with customers, employees, investors, local communities, suppliers and other stakeholders. Providing quality service a company can achieve the desired reputation and achieve a sustainable competitive advantage. Providing quality service, a company can achieve desired reputation and sustainable competitive advantage.

In recent years the concept of quality improvement is gaining importance in management, education, science and practice, and has become a must activity in achieving corporate social responsibility. Originator of the concept of total quality management (TQM), Armand Fajgenbaum, points out that TQM is a total quality control that affects the entire organization (Feigenbaum, 1999). Tobin (1990) defines TQM as the total of the efforts undertaken to achieve competitive advantage by constantly improving every aspect of organizational culture.

In recent years, organizational or corporate culture becomes one of the most frequently analyzed aspects of quality. The term "corporate culture" is defined as a shared experience, stories, beliefs and norms that are part of an organization. Corporate culture is what is first noticed in establishing contacts with the company - the way people dress, how they address each other and to welcome consumers. The corporate culture is often transferred directly from the personality and habits of general manager to the employees of the company (Kotler and Keller, 2006).

Hunt (1993) states that "total quality management is a tool used by organizations in the process of creation and maintenance atmosphere of continuous quality improvement." The same author defines TQM as follows: "Total quality management is both, philosophy and set of principles and procedures that are the basis for continuous improvement of the organization" (Hunt, 1993, p.10). Webster (1994, p. 12) states that: "TQM is a continuous process of meeting and exceeding customer expectations."

Corporate social responsibility, as an important part of TQM, can be understood as the concept of improvement, increasing flexibility, effectiveness and efficiency of operations, which includes all businesses and all activities of the easiest jobs to the highest level of management. Total Quality creates conditions to ensure the fulfillment of one goal, and that is - to produce products and provide service when, where and how customers and consumers want and expect the first and each subsequent time (Avelini Holjevac, 2002).

Modern market conditions, which depend on globalisation of the world market, rapid development of high technology and their growing application in the hotel industry, are some of the reasons for the appearance of stronger competitors and more difficult conditions for distribution of goods and services. Hotels in spas in Serbia are caught in between the world of realistic possibilities and harsh economic conditions.

For years, companies in developed countries have been well aware of that, since they have been trying to do business under modern market conditions. Hotel industry in countries in transition, such as ours, has just started facing this type of running a business.

Under the pressure of competition, hotels have to deal with the new form of contest - quality of service. If we take into consideration that hotel management is a very sensitive industry, which is focused on a guest, unique and subjective person, who notices presence or absence of quality, it becomes logical that choosing a strategy aimed at hotel service quality provides advantage on the market.

1. Development of model for measuring service quality in spa hotels

In order to identify clients' satisfaction, its evolution in time and to make comparisons with similar companies, it is necessary to measure very clearly their perceptions and expectations regarding the quality of the services they consume (State and Istudor, 2009). Literature dealing with the concept of service quality describes numerous models, which emphasize different aspects of quality. Nitin et al. (2005) provide detailed survey and evaluation of models and aspects of quality create between 1984 and 2003. Although research results did not provide universally accepted model, the biggest support and the best comments were given to disconfirmation model of measuring quality of services - GAP model of quality and aspects of quality that are presented in SERVQUAL model. Main advantages of this model are the fact that it enables management to identify gaps they have in services quality on different levels and that it is consumer oriented.

Results of the survey conducted in four companies in services sector: banking, telecommunications, insurance company and repair and maintenance of apparatus, Parasuraman, Zeithaml and i Berry (from 1985 to 1994) managed to develop GAP model which measures gap between expected quality before being served and perception of quality after being served. The same group of authors invented a model for marking services quality - SERVQUAL that consists of 5 elements of quality (tangibility, reliability, responsibility, assurance and empathy) and 22 questions (Parasuraman et al, 1988). Key features of GAP model are connected to mistakes which appear between a guest and a service provider, and which are connected to a specific point of view on perception and expectation. This model demonstrates the process of creation of services quality.

Although SERVQUAL, as the representative of disconfirmation model for measuring the quality of services, became widespread, it was also criticized, especially its conceptual and

methodological aspect. One of the main objectives is about the number and meaning of determinants of quality, i.e. applicability to different types of companies (Buttle, 1996). Thus, McDougall and Levesque modified SERVQUAL and produced the model with three determinants: tangible elements, the outcome of a service and relationship between employees and consumers (McDougall and Levesque, 1994). The result of one research of service quality in public utility companies were two determinants, tangible and non-tangible elements of services (Babakus and Boller, 1992). Another survey conducted in health sector (hospitals) produced nine determinants: check-in, accommodation, food, privacy, care, explanation of treatment, politeness, planning of discharge and services payment (Carman, 1990). Parasuraman, the creator of SERVQUAL model developed a model for measuring the quality of electronic services on two levels. The first one is E-S-QUAL, which is used for measuring the quality of basic electronic service. The second one is E-RecS-QUAL, which is used for measuring the quality extended electronic service. E-S-QUAL includes the following determinants of quality: efficiency, availability, realisation and privacy, while E-RecS-QUAL consists of the above-mentioned plus: responsibility, compensation and contact (Ćuzović and Sokolov-Mladenović, 2009).

When dealing with the topic of quality in the hospitality industry, we have to take into consideration some particularities that result from the nature of the hospitality services (Vasile, 2009). In the sector of tourism and hotel management, most authors use modified and adapted SERVQUAL model for the research of services quality. Saleh and Ryan in their research of hotel industry differentiate five determinants: sociability, tangibles, trust, avoiding of sarcasm and empathy (Saleh and Ryan, 1991). Their research consists of 33 questions, which is not the case with SERVQUAL questionnaires. Ekincki et al. (1998) tested SERVQUAL model based on the research conducted in hotels on the coast of Turkey. Their model is based on tangible and non-tangible determinants of quality. Akbaba (2006) formed a questionnaire with 29 questions based on his research of services quality in Turkish business hotels. He used SERVQUAL model as well. Getty and Thompson developed a scale called LODGQUAL (lodging quality) for measuring the quality of hotel accommodation (Getty and Thompson, 1994). Soriano (2002) did a research of services quality in restaurants in Spain. The elements he evaluated were food quality, service quality, atmosphere quality and price/quality ratio. Stevens et al. (1995), based on SERVQUAL model, developed a model called DINSERV which consists of 29 questions divided into five determinants of quality according to SERVQUAL model.

In 1992, Cronin and Taylor launched alternative methodology of measuring called SERVPERF (service performance). Considering the fact that SERVPERF does not measure expectations, it does not formally measure service quality but consumer's satisfaction. Measuring, i.e. collecting data about users' perception (attitudes) in a sample is done one off, which shortens the process of doing the survey. Further processing and analysis consist of statistical techniques adequate for this type of data (Cronin and Taylor, 1992).

SERVQUAL model served as a basis for a model, which measures services quality, respectively tourists' satisfaction with a destination. This model, called HOLSAT (holiday satisfaction, was developed in 1998 by Tribe and Snaith. HOLSAT consists of 56 questions (Tribe and Snaith, 1998).

Ramsaran-Fowdar conducted rather interesting research on Mauritius whose final product were determinants of quality (Ramasaran-Fowdar, 2007). Apart from taking over some of

the SERVQUAL model components, the author gave us a great number of new components. This model contains 59 quality components.

In 1991 and in 1992 Snoj and Mumel carried out a research of services quality in spas in Slovenia. The authors provided 23 questions set in five determinants according to SERVQUAL model. The first determinant – tangible elements - consists of 12 questions (Snoj and Mumel, 2002).

2. Methodology

Model for measuring service quality in spa hotels used in this research is created based on detailed analysis above mentioned models, especially model created by Snoj and Mumel, while SERVQUAL model served as a basis (Blešić et al., 2009).

Questionnaire consists of two parts, and each of them has 24 questions. The first part deals with expectations of guests and contains five determinants of quality taken from the original SERVQUAL model. The second part of the questionnaire contains the same determinants and questions and measures guests' perception of services quality. (Table no. 1)

Table no. 1 Determinants and questions as elements of research into hotel service quality

Determinants	Questions (Expectations)	Model
Tangibles	1. Hotel should have good location and be approachable.	<i>New</i>
	2. Hotel exterior and its surroundings should be visually attractive (facades, greenery, terraces, gardens...).	<i>New</i>
	3. Hotel interior should be visually attractive (room arrangement, state of appliances and equipment, decoration...).	<i>Servqual</i>
	4. Prospects, brochures, menus, wine lists, serviettes and hotel bills should be visually attractive.	<i>Servqual</i>
	5. Quality of food and drinks should satisfy guests' needs.	<i>New</i>
	6. Range of food and drinks should satisfy guests' needs.	<i>New</i>
	7. Premises for serving food and drinks (restaurants, bars, patisseries...) should be clean and tidy.	<i>New</i>
	8. Rooms, bathrooms and toilettes in the hotel should be clean and tidy.	<i>New</i>
	9. Hotel staff should look tidy.	<i>Servqual</i>
	10. Hotel should be able to organize entertainment for the guests.	<i>New</i>
	11. Hotel should have facilities for recreation (swimming pool, gym, sport terrains etc.).	<i>New</i>
	12. Hotel should have well-organized medical and other professional programs for health improvement of the guests.	<i>New</i>
Reliability	13. Hotel staff should serve the guests in the promised time.	<i>Servqual</i>
	14. Hotel staff should show understanding for the guests' problems.	<i>Servqual</i>
	15. Hotel staff should provide the reserved services to the guests during their stay.	<i>Servqual</i>
Responsiveness	16. Hotel staff should always be ready to help the guests.	<i>Servqual</i>
	17. Hotel staff should always be ready to answer guests' questions.	<i>Servqual</i>
	18. Hotel staff should always react quickly and immediately.	<i>Servqual</i>

Assurance	19. Hotel staff should always be polite to the guests.	<i>Servqual</i>
	20. Hotel staff should have knowledge and professionally fulfil guests needs.	<i>Servqual</i>
	21. Guests should feel safe (personal and material safety).	<i>Servqual</i>
Empathy	22. Hotel staff should pay attention to each guest.	<i>Servqual</i>
	23. Hotel staff should talk with the guests honestly and sympathetically.	<i>Servqual</i>
	24. Hotel staff should understand specific needs of the guests.	<i>Servqual</i>

Source: Made by the authors of the article based on SERVEXP scale of SERVQUAL model according to: Zeithaml, V.A., Parasuraman, A. and Berry, L.L., 1990. *Delivering Quality Service: Balancing Customer Perceptions and Expectations*. New York: The Free Press.

Questions from the second part were formed in the following way: the first question from the scale of expectations: *Hotel should have good location and be approachable*, in the scale of perception is: *Hotel has good location and it is approachable*. The second question: *Hotel exterior and its surroundings should be visually attractive* is *Hotel exterior and its surroundings are visually attractive*. All the other questions from the expectation scale were re-formulated in the similar way. The first 12 questions from the questionnaire are about tangible elements, which can help us materialize a service. The other 12 questions are connected to non-tangible elements, which present key feature of a service, and what makes it different from a material product.

Likert's scale was used for measuring guests' attitudes. This scale starts with 1 - *completely irrelevant* and finishes with 5 - *very important*. In the second part of questionnaire (about perception), grade 1 means that a guest *completely disagrees* and grade 5 that he/she *completely agrees*.

The research of hotel services quality was carried out in five spas in The West Morava region: Vrnjačka, Mataruška, Ovčar, Bogutovačka and Gornja Trepča from 1st August until 30th September in 2008. During 2008, 147.342 tourists visited these spas, which make them the most visited spa destinations in Serbia. Data was collected through a questionnaire, i.e. *face-to-face* technique and through questionnaires left at the hotel reception desks. Four interviewers took part in this research. Out of the total number of 1600 questionnaires, 618 were completed in a correct way. Interviewing guests resulted in 453 questionnaires, and hotel reception desks returned 165 questionnaires. 62.1% questionnaires are from the hotel in Vrnjačka Banja, 10.7% from Mataruška spa, 12% from Bogutovačka spa, 9.6% from Gornja Trepča and 5.7% from Ovčar Banja.

Although there are plenty of researches into service quality based on larger samples, such as the one conducted by Soriano (2002) in Spanish restaurants (N=3.872), most of the similar researches analysed the sample which consisted of about 200 respondents (Fick and Ritchie, Knutson et al, 1992; Heung and Wong, 1997; Akbaba, 2006), or less than 200 (Snoj and Mumel who had 145 and 175 respondents). Some authors think that evaluations based on statistical methods are valid only if a sample contains minimum 51 units (Bagozzi, 1981). Regarding all these factors it can be concluded that the sample used in this research (N = 618) is representative.

90.9 % of the sample consists of domestic guests. There are 56 foreign guests, which makes 9.1% of the total. 46 foreigners come from ex -Yugoslavian countries and only 1.6% from

other countries. According to gender, 54.5% respondents are female and 45.5% are male. Analysis of the age structure shows that most of the guests belong to people who are from 41 to 50 years old (163 or 26.4%). The second group consists of people between 31 and 40 (142 or 23%) and the last one the age group between 51 and 60 (134 or 21.7). 24.6% of respondents are over 61 years old, while 4.4% of respondents are under 30 years old.

If we analyse respondents' structure according to their occupation, we come to conclusion that most of them are actively employed, i.e. 68.5% of respondents are executives, managers and entrepreneurs. Retired people make 27.2%. The smallest groups are students/pupils (2.3%) and unemployed (2.1%). (Table no. 2)

Table no. 2 Structure of respondents by occupation

Occupation	N	%
manager	118	19,1
executive	279	45,15
retired	168	27,2
student/pupil	14	2,3
unemployed	13	2,1
entrepreneurs	26	4,2
Total	618	100,0

Source: Made by the authors of the article based on data analysis in SPSS 13.0.

Data collected in this research was transferred to SPSS database and all the analyses were carried out with the help of Statistical Package for Social Science SPSS, version 13.0. Social Science.

3. Results

Descriptive statistical analysis was used for calculating average grades based on determinants, which are connected to expectations and perception of hotel service quality. (Figure no. 1) The difference between perceived and expected quality of service is negative in all determinants of quality except determinant *empathy*, positive gap is the result of low expectations (3.9709). Guests had the highest expectations about determinant *assurance*, then determinant *responsibility* and *reliability*. If we take into consideration small absolute difference between arithmetic mean, it can be concluded that the above-mentioned determinants are of equal importance for the interviewed guests. Guests also showed high expectations for determinant *tangibility* (4.5746).

Grades for perception of quality are the highest for the determinant *assurance*, *responsibility* and *reliability*. Absolute difference between the values of arithmetic mean is small in these determinants as well. The lowest score is connected to *tangibility* (3.8274) which is realistic and in accordance with the material elements of hotel services in these spas (interior and exterior design of the facilities, equipment, range of additional services etc.). The result is the highest negative SERVQUAL gap in determinant, which represents tangible elements of a service.

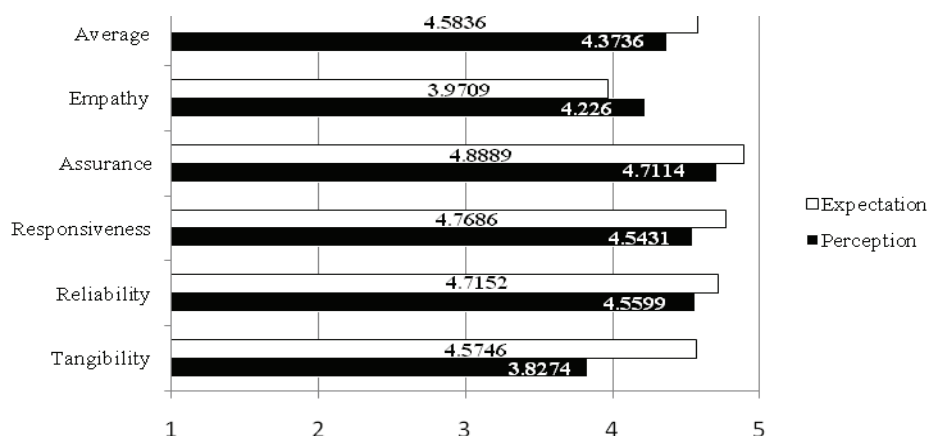


Figure no. 1 SERVQUAL gap

Source: Made by the authors of the article based on data analysis in SPSS 13.0.

Total SERVQUAL gap is negative -0.21. Values of SERVQUAL gap for determinant *tangible elements of a service* (-0.7472) and *reliability* (- 0.2255) are above average. Value of gap of other determinants is below average.

By applying one-factor analysis of variables ANOVA it was examined whether there was statistically significant connection between dependant variables (questions about expectations and perception) and independent variables (respondents' occupation).

The results of one-way analysis of variables for the aspect of expectations point out that, on the level of significance $p < 0.01$, there are significant differences regarding respondents' occupation in all determinants, except in determinant of tangibility. Post-hoc Sheffe test was applied in order to find out which groups are significantly different from others. (Table no. 3)

Table no. 3 Analysis of One-Way ANOVA – according to occupation structure
for the domain of expectations

Determinants	Occupation	M	σ	F	p
Tangibles (expectations)	manager	4,5579	0,27031	1,797	0,112
	executive	4,5674	0,26249		
	retired	4,5972	0,22220		
	student/pupil	4,6786	0,13812		
	unemployed	4,6538	0,36932		
	entrepreneurs	4,4872	0,22447		
Reliability (expectations)	manager	4,6780	0,43348	10,300	0,000
	executive	4,6754	0,41926		
	retired	4,8651	0,23708		
	student/pupil	4,2857	0,53680		
	unemployed	4,5641	0,41688		
	entrepreneurs	4,6667	0,29814		
	manager	4,7853	0,34184	7,945	0,000
	executive	4,7016	0,38294		

<i>Determinants</i>	<i>Occupation</i>	<i>M</i>	<i>σ</i>	<i>F</i>	<i>p</i>
Responsiveness (expectations)	retired	4,8790	0,20449		
	student/pupil	4,6429	0,38038		
	unemployed	4,5897	0,45448		
	entrepreneurs	4,8718	0,21243		
Assurance (expectations)	manager	4,9209	0,22084	4,528	0,000
	executive	4,8627	0,24241		
	retired	4,8948	0,15959		
	student/pupil	4,9524	0,12105		
	unemployed	4,7179	0,38118		
	entrepreneurs	5,0000	0,00000		
Empathy (expectations)	manager	3,7571	0,62651	35,122	0,000
	executive	3,6929	0,84647		
	retired	4,5556	0,54311		
	student/pupil	4,2143	0,56398		
	unemployed	4,3077	0,71312		
	entrepreneurs	3,9359	0,53349		

NB: $p < 0,01$; $F \geq 3,02$

M-arithmetic mean, *σ*-standard deviation

Source: Made by the authors of the article based on data analysis in SPSS 13.0.

The results of post-hoc tests show that pupils and students have significantly lower expectations of *reliability*, compared to managers, executives and pensioners. It is also important to mention that pensioners differ from other groups due to the fact that they have higher expectations than managers, executives and pupils/students. Pensioners expect more when we talk about determinant *responsiveness* compared to the category of executives. Entrepreneurs have the highest expectations in determinant *assurance*. On the other hand, there is significant difference in values within the group of unemployed respondents. When we take into consideration the last determinant, pensioners expect the most, compared to all the other respondents, except the unemployed and students/pupils.

The fact that older citizens are more sensitive to determinants of quality such as “responsiveness” and “empathy” is supported by a research carried out in Australian hotels in 1999. It showed that requirements of senior consumers are not significantly different than requirements of younger population regarding “tangible” elements of service. However, when we take into consideration special requirements and personal care, senior respondents have significantly lower expectations (Wei et al., 1999).

For the aspect of perception of given service, there are differences on the level of significance $p < 0.01$ in all determinants of quality. The results of post-hoc test point out that managers, executives and owners of private companies give lower grades to the first determinant in comparison to pensioners. Pensioners also give higher grades to determinant *reliability*. This difference is important compared to managers and executives.

Respondents who own private companies evaluate *responsiveness* considerably lower than pensioners and students/pupils. Pensioners give higher grades to the same determinant than executives and managers. Unemployed guests give lower grades to determinant *assurance* than pensioners and students/pupils. Pensioners evaluate this determinant more than managers and executives. *Empathy* of the hotel staff was given the highest mark by

pensioners, which is different when we take into consideration managers and executives. (Table no. 4)

Table no. 4: Analysis of One-Way ANOVA – according to occupation structure for the domain of perception

<i>Determinants</i>	<i>Occupation</i>	<i>M</i>	<i>σ</i>	<i>F</i>	<i>p</i>
Tangibles (perception)	manager	3,7147	0,55464	21,056	0,000
	executive	3,6604	0,57026		
	retired	4,1736	0,50012		
	student/pupil	4,1310	0,48779		
	unemployed	3,9551	0,60821		
	entrepreneurs	3,6186	0,57115		
Reliability (perception)	manager	4,3362	0,65299	14,533	0,000
	executive	4,4544	0,57363		
	retired	4,8214	0,35535		
	student/pupil	4,7619	0,35635		
	unemployed	4,5128	0,60270		
	entrepreneurs	4,7179	0,52232		
Responsiveness (perception)	manager	4,4209	0,46415	11,325	0,000
	executive	4,4931	0,48908		
	retired	4,7440	0,39453		
	student/pupil	4,7619	0,60523		
	unemployed	4,4872	0,70205		
	entrepreneurs	4,2179	0,58075		
Assurance (perception)	manager	4,6497	0,47311	10,972	0,000
	executive	4,6292	0,41213		
	retired	4,8810	0,25868		
	student/pupil	4,9524	0,12105		
	unemployed	4,4359	0,85402		
	entrepreneurs	4,7179	0,37348		
Empathy (perception)	manager	4,1045	0,67614	15,885	0,000
	executive	4,0424	0,68144		
	retired	4,5992	0,55749		
	student/pupil	4,4286	0,75593		
	unemployed	4,0769	0,78356		
	entrepreneurs	4,2564	0,85014		

NB: $p < 0,01$; $F \geq 3,02$

M-arithmetic mean, *σ*-standard deviation

Source: Made by the authors of the article based on data analysis in SPSS 13.0.

Conclusion

Improvements in product and service quality and creation of specific values for consumers make a whole and should be treated as priority in business strategy and policy of every hotel. Hotels that choose to apply concept of quality, as the key factor of success, should gain growing number of satisfied users, i.e. should be able to position themselves on the market successfully and make bigger profit.

In new business philosophy, traditional pyramid is turning and transforming into a market organization, which makes it consumer-oriented. The only level of quality that is acceptable to guests is the one, which is in accordance with their expectations. Looking at quality in any other way, except the one defined by clients, brings along potential failure at the market.

In Serbia, the issue of privatization of special hospitals and spa hotels is the subject of discussion among experts in the field of medicine, tourism, economy and other interested parties, as well as issues related to forms of activities and services that should be developed in the spas of Serbia - a traditional medicine activities or recreation and tourism. On the example of some health facilities, such as a natural spa "Gornja Trepča", one can conclude that privatization of health facilities and hotel-tourist enterprises in spas can be very helpful. However, it is not a solution for every problem, because of private investors cannot always expect socially responsible behavior. For these reasons, privatization should be carried out in cooperation with state bodies and institutions which should monitor private investors' activities due to their goals that sometimes lead to the gradual closing of the medical departments in spas. This was also noted by the representatives of the European Association Spa (ESPA) in the Congress of spas in Vrnjacka Spa 25-26. May 2009. On the other hand, based on the experience of developed western European spa, European experts recommended that the traditional healing and medical treatments should be maintained and different programs, activities and services, such as recreation, relaxation and prevention should be added and available for all spa visitors. Although spas in Serbia have qualified medical staff, in attracting more foreign tourists, activities and services of wellness tourism should be developed. Wellness centers have no seasonal character - tourists can enjoy at any time of year in the pools, saunas, massages and beauty treatments. In addition, nowadays people are trying to devote more time to health and relaxation, thus wellness programs and treatments are constitutive element of spa hotel offer in order to respond to the demands of modern tourists in a very competitive market.

The results acquired by application of analysis of variables ANOVA in this paper could be very useful to hotel managers, especially in the process of defining target and potential market segments. Market segmentation represents basis for hotel product development and implementation of the concept of long-term relationship with consumers. Identification of consumer segments, which share certain characteristics, and which represent demand for certain hotel products and services, plays an important role in proper positioning on the market. Different segments of consumers require different treatment. Finances, gender, age, education, occupation, motivation, expectation, wishes and needs of consumers are factors, which can influence the process of choosing a company and a type of service.

Total SERVQUAL gap is negative and its value is - 0.21. The first determinant (tangible elements of service) has the highest negative SERVQUAL gap. Thus, key issue in providing quality service in spa hotels is inadequate interior and exterior design and equipment of premises and lack of additional hotel programmes. Problems that spa tourism in Serbia has match the results of the first phase Strategy of Tourism Development in the Republic of Serbia: dilapidated accommodation, poor adaptation to modern demand, unfinished privatization process, lack of variety connected to tourist offer and lack of market research on consumers' demands. Creating a strategy of development based on long and short-term plans and stimulating investments in spa industry enable overcoming present problems. Building and structuring of objects in accordance with modern guest

requirements would lead to longer tourist season and better positioning of spa hotels on the market. Modern hotel management companies require organizational ability which determines the nature of the company's value system. Management should be an integral part in the process of strengthening community and identity through the inclusion of corporate social responsibility as a key factor to achieve service quality.

References

1. Aleksić, A., 2007. Business Ethics - an Element of Successful Business. *The Proceedings of Zagreb Faculty of Economics and Business*, V, pp.419-428.
2. Akbaba, A., 2006. Measuring service quality in the hotel industry: A study in a business hotel in Turkey. *Hospitality Management*, 25(2), pp. 170-192.
3. Avelini Holjevac, I., 2002. *Quality Management in Tourism and Hotel Industry*. Opatija: Faculty of Tourism and Hospitality Management.
4. Babakus, E. and Boller, G.W., 1992. An Empirical Assessment of the SERVQUAL Scale. *Journal of Business Research*, 24(3), pp. 253-268.
5. Bagozzi, R.P., 1981. Evaluating Structural Equation Models with Unobservable Variables and Measurement Error: A Comment. *Journal of Marketing Research*, 18(3), pp. 380.
6. Blešić, I., Romelić, J. and Garača, V., 2009. An investigation of the expectations and perceptions of consumers about the quality of services in the spa hotels of the West Morava region. *Glasnik - Journal of Serbian Geographical Society*, 89(1), pp. 103-114.
7. Buttle, F., 1996. SERVQUAL: review, critique, research agenda. *European Journal of Marketing*, 30(1), pp. 8-32.
8. Branco, M.C. and Rodrigues, L.L., 2006. Positioning stakeholder theory within the debate on corporate social responsibility. *Electronic Journal of Business Ethics and Organization Studies*, 12(1), pp. 61-80.
9. Carman, J.M., 1990. Consumer Perceptions of Service Quality: An Assessment of the SERVQUAL Dimensions. *Journal of Retailing*, 66(Spring Issue), pp. 33-55.
10. Cronin, J.J. and Taylor S.A., 1992. Measuring Service Quality: A Re-examination and Extension. *Journal of Marketing*, 56(3), pp. 55-68.
11. Ćuzović, S. and Sokolov-Mladenović, S., 2009. Improvement of electronic service quality in the function of consumers' satisfaction. *Journal Economic Themes*, XLVII(2), pp. 43-58.
12. EFQM, 2003. *The EFQM Framework for CSR*. Brussels: EFQM.
13. Ekinici, Y., Riley, M. and Fife-Schaw, C., 1998. Which school of thought? The dimensions of resort hotel quality. *International Journal of Contemporary Hospitality Management*, 10(2), pp. 63-67.
14. Feigenbaum, A.V., 1999. The new quality for the twenty-first century. *The TQM Magazine*, 11(6), pp. 376-383.
15. Fick, G.R. and Ritchie, J.R., 1991. Measuring Service Quality in the Travel and Tourism Industry. *Journal of Travel Research*, 30(2), pp. 2-9.

16. Getty, G.M. and Thompson, K.N., 1994. The Relationship between Quality, Satisfaction and Recommending Behaviour in Lodging Decisions. *Journal of Hospitality and Leisure Marketing*, 2(3), pp. 3-21.
17. Heung, V.C.S. and Wong, M.Y., 1997. Hotel service quality in Hong Kong: A study of tourists' expectations. *Journal of Vacation Marketing*, 3(3), pp. 264-271.
18. Hunt, V.D., 1993. *Managing for Quality, Integration Quality and Business Strategy Business One*. Illinois: IRWIN, Homewood.
19. Knutson, B., Stevens, P., Patton, M. and Thompson, C., 1992. Consumers' Expectations for Service Quality in Economy, Mid-Price and Luxury Hotels. *Journal of Hospitality & Leisure Marketing*, 1(2), pp. 27-43.
20. Kotler, P. and Keller, L.K., 2006. *Marketing management*. Belgrade: Data status.
21. McDougall, G.H.G. and Levesque, T.J., 1994. A Revised View of Service Quality Dimensions: An Empirical Investigation. *Journal of Professional Services Marketing*, 11(1), pp. 189-209.
22. Nitin, S., Deshmukh, S.G. and Perm, V., 2005. Service quality models: a review. *International Journal of Quality and Reliability Management*, 22(9), pp. 913-949.
23. Parasuraman, A., Zeithaml, V.A. and Berry, L.L., 1994. Reassessment of expectations as a comparison standard in measuring service quality: implications for further research. *Journal of Marketing*, 58(1), pp. 111-124.
24. Parasuraman, A., Berry, L.L. and Zeithaml, V.A., 1991. Perceived service quality as a customer-based performance measure: an empirical examination of organizational barriers using an extended service quality model. *Human Resource Management*, 30(3), pp. 335-364.
25. Parasuraman, A., Berry, L.L. and Zeithaml, V.A., 1991a. Refinement and reassessment of the SERVQUAL scale. *Journal of Retailing*, 67(4), pp. 420-450.
26. Parasuraman, A., Zeithaml, V.A. and Berry, L.L., 1988. SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality. *Journal of Retailing*, 64(1), pp. 12-40.
27. Parasuraman, A., Zeithaml, V.A. and Berry, L.L., 1985. A Conceptual Model of Service Quality and its Implications for Future Research. *Journal of Marketing*, 49(Fall Issue), pp. 41-50.
28. Ramasaran-Fowdar, R.R., 2007. Developing a service quality questionnaire for the hotel industry in Mauritius. *Journal of Vacation Marketing*, 13(1), pp. 19-27.
29. Saleh, F. and Ryan, C., 1991. Analysing Service Quality in the Hospitality Industry Using the SERVQUAL Model. *The Service Industries Journal*, 11(3), pp. 324-343.
30. Sen, S. and Bhattacharya, C.B., 2001. Does doing good always lead to doing better? Consumer reactions to corporate social responsibility. *Journal of Marketing Research*, 38(2), pp. 225-243.
31. Snoj, B. and Mumel, D., 2002. The measurement of perceived differences in service quality – The case of health spas in Slovenia. *Journal of Vacation Marketing*, 8(4), pp. 362-379.
32. Soriano, D.R., 2002. Customer's expectations factors in restaurants: The situation in Spain. *International Journal of Quality and Reliability Management*, 19(8/9), pp. 1055-1067.

33. State, O. and Istudor, N., 2009. The Survey of the Service Quality. Application to a Hotel using the SERVQUAL Model. *Amfiteatru Economic*, XI(26), pp. 419-428.
34. Stevens, P., Knutson, B. and Patton, M., 1995. DINESERV: A tool for measuring service quality in restaurants. *Cornell Hotel and Restaurant Administration Quarterly*, 36(2), pp. 56-60.
35. Tobin, L.M., 1990. The new quality landscape: total quality management. *Journal of System Management*, 41(November Issue), pp. 10-15.
36. Tribe, J. and Snaith, T., 1998. From SERVQUAL to HOLSAT: holiday satisfaction in Vardero, Cuba. *Tourism Management*, 19(1), pp. 25-34.
37. Vasile, D.C., 2009. Customer Contribution to improving Service Quality in the Hospitality Industry. *Amfiteatru Economic*, XI(26), pp. 441-450.
38. Webster, J.F.E., 1994. Executing the New Marketing Concept. *Marketing Management*, 3(1), pp. 8-16.
39. Wei, S., Ruys, H. and Muller, T.E., 1999. A gap analysis of perceptions of hotel attributes by marketing managers and older people in Australia. *Journal of Marketing Practice: Applied Marketing Science*, 5(6/7/8), pp. 200-212.
40. Zeithaml, V.A., Parasuraman, A. and Berry, L.L., 1990. *Delivering Quality Service: Balancing Customer Perceptions and Expectations*. New York: The Free Press.